Statement

Trend in International Prices

Period	Indian Basket Crude ($/bbl)	Petrol ($/bbl)	Diesel ($/bbl)	Kerosene ($/bbl)	LPG ($/MT)
March 2002	23.31	26.43	23.27	23.65	194.00
2002-03	26.66	30.15	28.93	29.33	280.40
2003-04	27.96	35.03	30.48	31.19	278.45
2004-05	39.22	49.01	46.91	49.50	368.52
2005-06 (Apr-Jul' 05)	51.08	58.85	62.58	66.21	408.30
8th Aug, 2005	58.83	70.70	66.49	69.71	403.60
%Increase (8.8. 2005 over Mar'02)	152.4%	167.5%	185.73%	194.75%	108.04%

Trend in Domestic Prices

Period	Petrol Rs./Litre	Diesel Rs./Litre	Kerosene Rs./Litre	LPG Rs./Cyl.
As on 31st March, 2002	26.54	16.59	8.98	240.45
As on 8th Aug, 2005	40.49	28.45	9.05	294.75
%Increase (8th Aug, 2005 over Mar' 02)	52.6%	71.5%	0.8%	22.6%

Discount to refineries by ONGC

2922. SHRI TARIQ ANWAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the impact of the Bombay High Fire is going to be felt not just in terms of loss of human life and production but downstream as well;

(b) if so, the details thereof;

(c) whether Government have directed ONGC to give discount to refineries to compensate them for Government capped fuel prices; and

(d) if so, the detail thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) A major fire accident occurred on the Mumbai High North (MHN) platform on 27th July, 2005. 11 persons

are confirmed dead and 11 persons are reported missing after the accident. Pending the completion of legal formalities to declare the missing persons dead, the ONGC have decided to award full compensation to the families of both dead persons as also those who are missing. Although the MHN platform was destroyed along with a Pawan Hans Helicopter positioned on it, there will not be any significant financial loss to ONGC on this account as the platform was insured for US $ 195 million and MSV for US $ 60 million under ONGC's offshore package insurance policy.

As regards the loss of production, while the collapse of the platform has immediately affected 1,23,000 barrels per day of crude oil production and 4.4 MMSCMD of gas sales, ONGC have reported that production will be restored to 2,15,000 BOPD and 8.5 MMSCMD of gas by the end of September, 2005. Hence the downstream sector may be affected to that extent for the time being. The accident has in no way compromised the country's energy security, as the country has enough foreign exchange reserve to make up this marginal shortfall in our production through imports of crude.

(c) and (d) Since the past few years, there has been an unprecedented, sharp and spiraling increase in international oil prices with considerable week to week and even day-to-day volatility. The increase in international prices have not been fully passed on to the domestic retail prices of the four sensitive products, *viz.*, petrol, diesel, kerosene and domestic LPG, resulting in huge under- recoveries for the public sector oil marketing companies (OMCs). As decided by the Government, the three upstream oil companies, ONGC/OIL/GAIL, have been sharing the burden of under-recoveries since 2003-04. The share of upstream companies during the last 2 years and first quarter of the current year is as under:—

(*Rs. Crore*)

Name of Company	2003-04	2004-05	April-June, 2005
ONGC	2,695	4,104	2,896
OIL	NIL	706	228
GAIL	428	1,137	153
TOTAL:	3,123	5,947	3,257